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DIRECTOR OF CENTRAL INTELLIGENCE
Security Committee

SECOM-D-302

24 December 1984

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24 JAN 1985

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Director, Intelligence Community Staff
Deputy Director, Intelligence Community Staff

FROM:
Chairman

SUBJECT: NSDD-84 Personnel Security Review

1. Action Requested: That you sign a letter to General Stilwell asking him to ensure that the subject review supports your responsibility for the protection of intelligence sources and methods.

2. Background and Discussion: NSDD-84 tasked the Attorney General to establish a personnel security review group to study the federal personnel security program and recommend needed changes. Ms. Mary Lawton, Counsel for Intelligence Policy, Department of Justice, was named to chair the group. The review group was made up of representatives of the Office of Personnel Management, Departments of Defense, Energy and Treasury, and the FBI. The review group completed its options paper in January 1984, and submitted it to General Stilwell in his capacity as IG/CM Chairman. The paper was subsequently cleared by the SIG(I) and sent to Mr. McFarlane for decision. We do not know of any White House response to date. The Security Committee obtained a copy of the paper in November 1984.

3. The only uniform personnel security standards in the federal government are those prescribed by the DCI for access to Sensitive Compartmented Information (SCI). The number of SCI access approvals, however, is outnumbered by at least an order of magnitude by security clearances based on widely varying investigative practices which authorize access to non-SCI classified information, including non-compartmented intelligence data. Resource and time considerations inevitably will be cited as reasons why any government-wide personnel security standards proposed by the review group are relatively modest in scope. Some examples follow:

a. Several years ago the Deputy Secretary of Defense, faced with a severe backlog of personnel security investigations, ordered significant reductions in investigative scope and a unilateral moratorium on reinvestigations, including those mandated by DCI policy for continuing SCI access. The moratorium was lifted in April 1983, and progress is being made in catching up.

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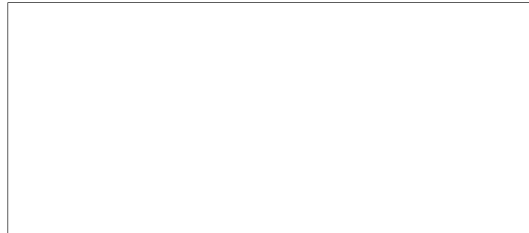
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b. In 1983, Defense sought to reduce the period of coverage of DCI-directed investigations for SCI access in return for a promise to try to upgrade its investigations for Top Secret non-SCI access to match the proposed reduced level for SCI. The proposal to lower DCI standards was not approved.

We are concerned that similar efforts to standardize personnel security procedures may take place in the review group without counterbalancing DCI inputs. Accordingly, we deem it highly desirable for the protection of DCI equities and the safeguarding of sensitive intelligence sources and methods that the DCI advise the IG/CM that he expects the review process to support his existing security responsibilities and authorities. The attached proposed letter is designed to do that.

4. Recommendation: That the attached letter to General Stilwell be signed.



Attachment: Letter to Gen. Stilwell

[Redacted signature box]

Deputy Director, Intelligence Community Staff

9 JAN 1985

Date

[Redacted signature box]

Director, Intelligence Community Staff

10 JAN 1985

Date

/S/ John N. McMahon

Deputy Director of Central Intelligence

22 JAN 1985

Date

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The Director of Central Intelligence

Washington, D.C. 20505

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23 JAN 1985

General Richard G. Stilwell, USA (Ret.)
Chairman, Interagency Group/Countermeasures
Office of Secretary of Defense
Washington, D.C. 20301

Dear Dick:

The options paper on the NSDD-84 personnel security review that was attached to Mary Lawton's 13 January 1984 memorandum to you was endorsed by the Senior Interagency Group (Intelligence) and forwarded to Mr. McFarlane for guidance.

I would appreciate your keeping a close watch on the progress of this review. While it got off to a good start, a broad-ranging effort such as this can take unexpected directions unless closely monitored. Of particular interest to me is the need to ensure that personnel security standards proposed by the review group do not have an adverse effect upon those governing access to intelligence source and methods data (e.g., Sensitive Compartmented Information, HUMINT reporting). Of particular concern to both of us should be the risk of weakening SCI access rules through proposals to merge them with standards for other security clearances or by making their applicability dependent on resource or administrative considerations. New standards applicable to intelligence material access should support my statutory responsibility for the protection of intelligence sources and methods and my authority under Executive Order 12333 to prescribe common security and access standards for foreign intelligence systems, information and products. If any significant problems arise regarding this topic, let's discuss them. Technical matters can be referred to my Security Committee. Thanks for your help on this.

Sincerely,

/s/ William J. Casey

William J. Casey
Chairman

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